

who placed an order during said second offering for sale on said secondary market, and updating the purchaser's record for each received order that reflects the ordering activity of the purchaser.

52. (Amended) The method of operating a server as claimed in [49] 51, wherein said ordering activity includes receiving a number of said received orders, and there is included a step of incrementing the [said] number of orders in response to the receipt of each order.

59. (Amended) The server as claimed in claim [58] 73, wherein said server is programmed to respond [engine responds] to each order received from one of the purchasers [an identifiable purchaser] to update said record of the one [identified] purchaser.

### REMARKS

This Amendment is made in response to the Office Action dated May 17, 2002. The undersigned will respond to the objections and/or rejections by the paragraph number used in the outstanding Office Action. Applicants submit herewith a Request for Extension of Time to permit the filing of this Amendment in the second month.

Applicants appreciate the indication in paragraph 7 that that claims 62 - 70 are allowed. Applicants express their appreciation for the courtesies extended to their Attorney during an interview of September 23, 2002 with Examiner Patel. The Examiner raised a number of issues not previously expressed and/or contained within the previous Office Actions. In particular, the Examiner was concerned that various claims may not satisfy the requirements of statutory subject matter as defined in 35 U.S.C. § 101, citing a recent decision of the Board of Patent Appeals and Interferences, *Ex parte Bowman* 61 USPQ 2d 1669. In particular, applicants have reviewed all of the claims as now presented and where necessary have amended their claims, whereby all of the apparatus claims recite a server that is programmed to carry out specific functions, i.e., independent claims 73 and 110, and all method claims recite a program computer to implement one or more of the steps of the method, i.e., independent claims 49, 62, 69, 70, 77, 96, 102, 110, 115, 119, 123, 131, 133 and 137. It is respectfully asserted that all of these independent claims as well as all claims dependent therefrom, recite fully and clearly statutory subject matter under 35 U.S.C. § 101.

Under the heading "Allowable Subject Matter" (as appears on page 10 et seq. of the Outstanding Action, the Examiner indicates that claims 62-69 were allowed in part for their recitation of "managing uncalculated (uncirculated) collectables on a primary market and on a secondary market"--. In addition to independent claims 62 and 69, applicants further present independent claims 77, 119, 123 and 137, each of which recites the offering of at least one collectable for sale on both a primary and secondary markets and are likewise deemed to be patentable.

However, applicants respectfully assert that their invention is not limited to a method or apparatus involving the offering for sale on primary and secondary markets, but rather assert that their invention also includes at least a method or apparatus for offering for sale collectables of an uncirculated or predetermined condition on a primary market, wherein orders are taken from potential purchasers, the collectables are allocated among selected ordering purchasers, and the predetermined condition of the collectables is maintained, stored or determined.

Appreciating the breath of the term collectable as compared with the term trading card as noted by the Examiner in the course of his interview with the undersigned, it is noted that other collectables such as stamps or coins are not offered for sale on a primary market involving the allocation of such collectables and the maintaining, storing or determining the conditions of such collectables. Thus, applicants respectfully assert that independent claims 71, 73, 96, 102, 110, 115, 131 and 133 (and all claims dependent therefrom), all of which are directed to marketing on a first or initial market and do not recite marketing on a secondary market, are patentable over the prior art.

With reference to paragraphs 8 - 13, Applicants respectfully traverse and request reconsideration of the rejection of independent claim 49, and claims 50, 51, 52, 54, 55, 56 and 57 depending therefrom as being indefinite under 35 USC Section 112, 2nd Paragraph. In particular, Applicants have amended independent claim 49 to read "each of a plurality of potential purchasers" as the Examiner suggested in Paragraph 10. Applicants have further amended claim 49 to clarify that the server receives (and not transmits) an order thereby fully responding the Examiner's rejection in Paragraph 12. Still further, Applicants have amended

claim 49 to read "to the received one order" thereby fully complying with the Examiner's comment in Paragraph 13. Finally, Applicant has amended claim 51 to render it dependent on claim 50 (as the Examiner required in Paragraph 11). It is respectfully asserted that this Section 112, Paragraph 2, rejection has been overcome. In the absence of any further rejection and/or objection of any kind in the outstanding Office Action, Applicants respectfully assert that independent claim 49 and claims 50-52 and 54-57 should be allowed.

Applicants have replaced independent claim 33 with new independent claim 71, which relates to the "offering of collectibles for sale" and "maintaining the condition of the collectibles". Similarly, each of new independent claims 77, 102, 115, 130, 133 and 138 recites "maintaining the condition of the collectibles," each of new independent claims 73, 96 and 110 recites storing "an indication of the condition of each of the collectibles", claim 119 recites facilitating the "original or subsequent purchasers to offer for sale on the secondary market" at least one collectible, claim 131 recites keeping the collectibles in a protective environment, and claims 133 and 137 recite "determining the condition of the one collectible." Independent claim 123 recites the creating of a database with a record for the original purchaser and entering in the data base a record for the subsequent purchaser. The Examiner admits that the references, namely "The Stock Exchange" or the discussion at pp. 3 and 4 of the subject application, "fails to teach or suggest a method of managing uncalculated (apparently uncirculated) collectibles" or "the maintenance of the collectibles in their uncirculated" conditions (page 10, lines 7-15). Though the newly presented independent claims 71, 73, 77, 96, 102, 110, 115, 119, 123, 131, 133 and 137 are broader than the presently allowed claims 62-69, Applicants respectfully assert that these newly presented independent claims (as well as the claims dependent therefrom) clearly distinguish the references cited by the Examiner and request that these claims also be allowed.

Further, Applicants respectfully traverse the following statement of the Examiner (page 6, lines 6 - 15 of the outstanding Office Action):

Although not explicitly suggested by the reference (referring to "The Stock Exchange"), this mechanism can also be applied for initial public offering of collectibles (sports cards, rare coins or like) or like commodities in a similar fashion as

*securities because both securities and collectibles are tradable commodities.* It would have been obvious, therefore, to one of ordinary skill in the art at the time of the invention to develop a method for offering of collectibles for sale in the manner as tradable securities as explained above because it could facilitate trading of collectibles in the same manner as securities through an organized market place wherein a plurality of purchasers may participate in the initial offering of collectibles or commodities (emphasis in original).

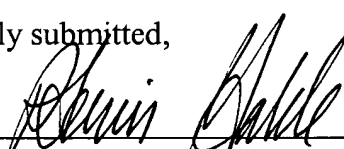
Collectibles per se, unlike securities, are not inherently commodities, and can be readily sold in a market only if the condition of the collectible is determined and/or maintained. On the one hand, securities represents an interest in a certain company. The value of a security depends inherently upon the profitability and/or the assets of the company. In turn, the value of the stock facilitates the sale of the stock and renders it a commodity. Applicants particularly traverse the italicized comments above that both securities and collectibles may be offered in the same manner for sale. In particular, Applicants teach that to offer collectibles for sale, the condition of the collectible is determined and/or maintained. On the other hand, the condition of a particular stock certificate or maintaining its condition is irrelevant to the value of the related security, much less the marketability of such certificates.

To carry out this invention on an electronic market or over the Internet (or the like) requires commoditization and the trust of market participants that the particular collectibles being traded are fungible--that is, each listing must be of a known or predetermined condition. Unlike securities, collectibles are tangible forms of property, the trading of which has historically involved the back and forth haggling over condition. Collectibles cannot therefore be considered inherent commodities. This application teaches the determination and preservation of condition by the administrator or issuer so as to commoditize the collectibles. Thus as recognized by Examiner in his section on Reasons for Allowance, the steps of determining, maintaining and/or storing an indication of the condition of a collectible distinguishes this invention from the references cited by the Examiner and renders independent claims 71, 73, 77, 96, 102, 110, 115, 133 and 134 (and their related dependent claims) patentable.

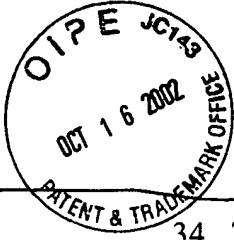
In view of the above discussion, Applicants respectfully assert that all of the objections and rejections have now been removed, and that this application is in condition for allowance, which action is respectfully requested. If the Examiner is unable to pass this application to allowance, he is requested to place a telephone call to the undersigned to suggest these changes that will readily bring this application to allowance.

Respectfully submitted,

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Clean Sheet of Claims

34. The method of managing an initial offering of collectibles as claimed in claim 71 wherein step b) offers an initial offering of collectibles, and there is further included the step of offering for sale selected of the allocated collectibles on a secondary market at the direction of the purchasers of the certain allocated collectibles.

C2. 35. The method of managing an initial offering of collectibles as claimed in claim 71, wherein the collectibles comprise trading cards.

36. The method of managing an offering of collectibles as claimed in claim 71, wherein said offering of step b) is carried out for a first selected, predetermined period of time.

37. The method of managing an offering of collectibles as claimed in claim 36, wherein said offering for sale on said secondary market is carried out for a second selected period of time.

38. The method of managing an offering of collectibles as claimed in claim 37, wherein said second period of time is greater than said first period of time.

C3 41. The method of managing an initial offering of collectibles as claimed in claim 72, wherein if said total number of collectibles exceed the predetermined number of collectibles, said step of allocating reduces the number of collectibles to be allocated to selected of the ordering purchasers in accordance with a predefined algorithm.

C4 44. The method of managing an initial offering of collectibles as claimed in claim 72, wherein there is further included the step of providing lots of the collectibles for offering for sale.

C5 47. The method of managing an initial offering of collectibles as claimed in claim 72, wherein there is further included the steps of providing a purchaser history database for keeping a record of each purchaser that has placed an order in the course of said initial

offering of the collectibles for sale, and updating data indicative of each collectible held in escrow in that record of the purchaser holding the escrowed collectible.

48. The method of managing an initial offering of collectibles as claimed in claim 72, wherein there is further included the step of providing a purchaser history database for keeping a record for each purchaser that has placed an order in the course of said initial offering of the collectibles for sale, and updating for each order received data indicative of said number of collectibles in that record of the purchaser placing that order.

C5.  
Cont'd  
49. A method of operating a server to receive over a network at least one order for collectibles from at least one of a plurality of potential purchasers, said server being programmed to implement said method comprising the steps of:

- a) providing at the server a purchaser history database;
  - b) offering for sale an initial placement of a predetermined number of collectibles;
  - c) receiving from one of the potential purchasers at least one order for a selected number of collectibles; and
  - d) creating in response to a received order an account in the purchaser history database for its potential purchaser, each account including a record of the purchasing activity of its potential purchaser.
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C6  
51. The method of operating a server as claimed in claim 50, wherein there is further included the steps of receiving orders from at least one purchaser who placed an order during said second offering for sale on said secondary market, and updating the purchaser's record for each received order that reflects the ordering activity of the purchaser.

52. The method of operating a server as claimed in 51, wherein said ordering activity includes receiving a number of said received orders, and there is included a step of incrementing said number of orders in response to the receipt of each order.

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C7  
59. The server as claimed in claim 73, wherein said server is programmed to respond to each order received from one of the purchasers to update said record of the one purchaser.

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